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LAYTON AND LINDAHL NOMINATIONS

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HEARINGS

BEFORE THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE

NINETY-NINTH CONGRESS

FIRST SESSION

ON THE

NOMINATIONS OF JOHN C. LAYTON TO BE INSPECTOR GENERAL, DEPARTMENT OF ENERGY, AND DAVID M.L. LINDAHL TO BE DIRECTOR, OFFICE OF ALCOHOL FUELS, DEPARTMENT OF ENERGY

DECEMBER 5 AND 6, 1985

ORIGINAL

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LAYTON AND LINDAHL NOMINATIONS

THURSDAY, DECEMBER 5, 1985

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 10:20 a.m., in room SD-366, Dirksen Senate Office Building, Hon. James A. McClure, chairman, presiding.

Present: Senate McClure.

Also present: Gary G. Ellsworth, chief counsel; E. David Doane, senior counsel; and D. Michael Harvey, chief counsel for the minority.

OPENING STATEMENT OF HON. JAMES A. McCLURE, A U.S. SENATOR FROM THE STATE OF IDAHO

The CHAIRMAN. The committee will come to order. It is impossible for us, because of a conflict of schedules, to conduct the hearing as was scheduled today, and we will therefore, be in recess until the hour of 9:30 a.m. on tomorrow. The committee will stand in recess.

[Whereupon, the hearing recessed, to reconvene Friday, December 6, 1985, at 9:30 a.m.]

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LAYTON AND LINDAHL NOMINATIONS

FRIDAY, DECEMBER 6, 1985

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 9:35 a.m. in room SD-366, Dirksen Senate Office Building, Hon. James A. McClure, chairman, presiding.

Present: Senators McClure, Warner, and Hecht.

Also present: Gary G. Ellsworth, chief counsel; E. David Doane, senior counsel; and D. Michael Harvey, chief counsel for the minority.

OPENING STATEMENT OF HON. JAMES A. McCLURE, A U.S. SENATOR FROM THE STATE OF IDAHO

The CHAIRMAN. The committee will come to order. The purpose of today's hearing is to consider two Presidential nominations for positions within the Department of Energy. John C. Layton to be Inspector General, and David M.L. Lindahl to be Director of the Office of Alcohol Fuels.

Our first witness is John C. Layton, the nominee for Inspector General of the Department of Energy. The responsibilities of the Inspector General are set forth in detail in the DOE Reorganization Act. He has two primary duties: To promote economy and efficiency in the administration of DOE programs, and to detect and prevent fraud or abuse in the Department's programs and operations, including those of the Federal Energy Regulatory Commission.

These responsibilities are carried out through auditing activities, investigations, and policy recommendations. The Inspector General must keep the Secretary of Energy, the Commission, and the Congress fully and currently informed about any serious problems, abuses, and inefficiencies he discovers, and he has the further duty to recommend appropriate corrective action.

Mr. Layton is well-qualified to be DOE Inspector General. Since September of last year, he has served as the Inspector General for the Department of the Treasury. He was also the Deputy Inspector General at NASA from 1983 to 1984. For 8 years, Mr. Layton was a special agent with the FBI, and he has also worked as an auditor with Litton Industries. He holds a bachelor of science degree from Rider College.

Mr. Layton, if you would step forwrd, please. We are required by our process to administer an oath to all nominees who appear before this committee.

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[Whereupon, John C. Layton was duly sworn by the chairman.]

The CHAIRMAN. Please be seated.

There are four standard questions we ask of all nominees and I would like to ask those questions of you before you present your statement. Will you be available to appear before this committee and other Congressional committees to represent departmental positions and respond to issues of concern to the Congress?

Mr. LAYTON. I will.

The CHAIRMAN. Your informational statement has been submitted to the committee. However, it is required that the statement be made public unless the committee decides that special circumstances justify an exception. Do you have any objection to the publication of your informational statement?

My LAYTON. I have no objection.

The CHAIRMAN. Are you aware of any personal holdings, investments, or interests that could constitute a conflict of interest or create the appearance of such a conflict should you be confirmed and assume the office to which you have been appointed by the President?

Mr. LAYTON. My investments, personal holdings, and other interests have been reviewed by myself and the appropriate ethics counselors within the Federal Government, and I have taken appropriate action to avoid any conflicts of interest. There are no conflicts of interest or appearances thereof to my knowledge.

The CHAIRMAN. Are you involved in or do you have any assets held in a blind trust?

Mr. LAYTON. No.

The CHAIRMAN. Before starting your statement, I think you have some of your family here this morning with you. Would you like to introduce them to the committee?

Mr. LAYTON. My wife Jan and my daughter Susan.

The CHAIRMAN. We're glad to have you both here. Thank you.

Senator WARNER. Mr. Chairman, I apologize for my tardiness. I am Chairing elsewhere in the building, on the Senate Armed Services Committee on the reorganization of the Pentagon, and it is my privilege to the present to introduce these two nominees this morning. And with the permission of the Chair, I would like to submit for the record my statement.

The CHAIRMAN. Without objection, so ordered.

[The prepared statements of Senator Warner follows:]

STATEMENT OF HON. JOHN W. WARNER, A U.S. SENATOR FROM THE STATE OF VIRGINIA

Mr. Chairman, I am pleased to present to the Committee John C. Layton who has been nominated for the position of Inspector General of the Department of Energy.

He is a resident of Woodbridge, Virginia, and I would like to ask that we recognize his wife Jan and his children who are here with him today.

John Layton's career in public service began in 1972 when he served as a special agent with the Federal Bureau of Investigation.

During his years with the FBI he conducted criminal investigations and later served on the House and Senate Committee on Appropriations Surveys and Investigations Staff.

Mr. Layton brings to the Inspector General's office much experience gained from earlier Federal responsibilities as the Inspector General with the Department of the Treasury and Deputy Inspector General with NASA.

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I trust the Committee will proceed expeditiously to favorably report Mr. Layton's nomination.

STATEMENT OF HON. JOHN W. WARNER, A U.S. SENATOR FROM THE STATE OF VIRGINIA

Mr. Chairman, it is my pleasure to introduce to the Committee, David Lindahl, of Springfield, Virginia who has been nominated by the President to be Director of the Office of Alcohol Fuels of the Department of Energy.

Mr. Lindahl is currently a Specialist in Energy Policy with the Congressional Research Service.

He has also served as the Federal Representative to the National Petroleum Council, and coauthored it's report on petroleum inventories, storage and transportation capacities.

Prior to joining CRS, he was the Assistant Director for Research and Analysis of DOE's Office of Energy Transportation.

Mr. Chairman and fellow members of the Committee, Mr. Lindahl's career exemplifies many years of outstanding public service. I endorse his nomination to be Director of the Office of Alcohol Fuels without reservation, and respectfuly request the Committee to confirm Mr. Lindahl without delay.

The CHAIRMAN. We're delighted to have you on that side of the table. You're usually on this side.

Senator WARNER. I wish them well, and they're on their own. Thank you very much. [Laughter.].

The CHAIRMAN. Thank you, Senator Warner. I'm sure they appreciate it as well.

Mr. Layton, you may proceed.

STATEMENT OF JOHN C. LAYTON, NOMINEE TO BE INSPECTOR GENERAL, DEPARTMENT OF ENERGY

Mr. LAYTON. I have submitted a statement for the record. I would like to just make a few comments.

Mr. Chairman, members of the committee, I am pleased to appear before you today as President Reagan's nominee to be Inspector General of the Department of Energy. I am grateful to the President and to the Secretary of Energy for giving me the opportunity to serve.

Thank you, Mr. Chairman, for the timely consideration of this nomination.

If confirmed, I will do my best to contribute toward the detection and prevention of fraud, waste, and abuse in Government. My 6 years of experience in the Inspector General community has taught me that the Inspector General plays a critical role in assuring that tax dollars are spent in the most efficient manner possible and that Government programs are free from fraud and waste.

The nature of the position, as detailed by statute and as it has evolved, places the Inspector General in a unique position, both as independent agency watchdog and as chief advisor to the Secretary on matters of program economy and integrity.

I believe that, as the principal adviser to the Secretary concerning the economy and efficiency of departmental programs and operations, it is essential that the Inspector General be independent and objective in the performance of his duties. Within the Office of Inspector General, I believe in developing and emphasizing the basic skills of auditing and investgating and applying these re-

sources to the program and operational areas with the greatest vulnerability to fraud, waste, and abuse.

I also intend to stress the common goals of auditors and investigators, so that the two groups can work together effectively on joint projects. I think this approach maximizes the taxpayers' return on their investment.

My experience will enable me to be a very effective Inspector General at the Department of Energy. If confirmed, you have my commitment that I will fulfill the responsibilities of the office to the best of my ability.

Thank you for your consideration at this time, and I would be pleased to answer any questions you might have.

[The prepared statement of Mr. Layton follows:]

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STATEMENT OF

JOHN C. LAYTON

NOMINEE FOR THE POSITION OF

INSPECTOR GENERAL

OF THE

U.S. DEPARTMENT OF ENERGY

BEFORE THE SENATE COMMITTEE

ON ENERGY AND NATURAL RESOURCES

December 5, 1985

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Mr. Chairman, Members of the Committee, I am pleased to appear before you today as President Reagan's nominee to be Inspector General of the Department of Energy.

I am grateful to the President and to the Secretary of Energy for giving me the opportunity to serve; thank you, Mr. Chairman, for the timely consideration of this nomination. If confirmed, I will do my best to contribute toward the detection and prevention of fraud, waste and abuse in Government.

The duties and responsibilities of the Department of Energy Inspector General are quite specific. He supervises and coordinates audit and investigative activities, as well as recommends policies and procedures to the Secretary of Energy for promoting economy and efficiency in the Department. The Inspector General is responsible for preventing and detecting fraud and abuse in the Department's programs and for identification of persons participating in fraud and abuse. Semi-annually, he reports a summary of his activities to the Secretary of Energy, Congress, and the Federal Energy Regulatory Commission.

My six years of experience in the Inspector General community has taught me that the Inspector General plays a critical role in assuring that tax dollars are spent in the most efficient manner possible and that government programs are free

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from fraud and waste. The nature of the position, as detailed by statute, and as it has evolved, places the Inspector General in a unique position, both as "independent" agency watchdog and as chief advisor to the Secretary on matters of program economy and integrity.

I believe that as the principle advisor to the Secretary concerning the economy and efficiency of departmental programs and operations, it is essential that the Inspector General be independent and objective in the performance of his duties. Within the Office of Inspector General, I believe in developing and emphasizing the basic skills of auditing and investigating and applying these resources to the program and operational areas with the greatest vulnerability to fraud, waste and abuse. I also intend to stress the common goals of auditors and investigators so that the two groups can work together effectively on joint projects. I think this approach maximizes the taxpayers' return on their investmeht.

I have been a career law enforcement employee since 1972 in the Federal Bureau of Investigation, National Aeronautics and Space Administration Office of Inspector General and the U.S. Department of the Treasury.

Throughout my entire career, I have been involved in auditing, law enforcement and program reviews as an auditor, investigator, supervisor, manager, and executive.

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While with the FBI, I was responsible for the investigation of white collar crimes including fraud against the Government. As an FBI Special Agent detailed to the Surveys and Investigations Staff of the U.S. House of Representatives and the Committee on Appropriations Investigations Staff of the United States Senate, I was responsible for conducting studies and reviews within several departments of the Executive Branch. These efforts required analyses of major government activities, identification of key issues and inefficiencies, and resulted in constructive recommendations for systems and management improvements.

As a supervisor within the NASA Office of Inspector General, I was instrumental in developing and administering an audit and investigative program focusing on economy and efficiency. I devised and implemented systems to enhance audit and investigative accomplishment through the application of computer resources.

As the NASA Deputy Inspector General, I provided policy direction for all matters pertaining to the audit and investigative programs. The audit and investigative program dealt extensively with the area of procurement and contract-related fraud and abuse. During this period, I initiated a quality assessment program to ensure that the audit and investigative functions adhered to professional standards and

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the dictates of sound management. I also established a streamlined reporting system to convey investigative recommendations to management.

As the Inspector General of the Department of the Treasury, I am responsible for internal audit and investigative activity within the Department. During my tenure, I conducted a review of the mission, performance, goals and objectives of the Office of Inspector General. I identified, for the first time, a universe of auditable issues for the Office of Inspector General, consolidated administrative functions, began implementation of an Office of Inspector General-wide management information system and initiated a quality assessment review system. I believe that I provided personal leadership which has resulted in more timely and higher quality audit and investigative reports.

My experience will enable me to be a very effective Inspector General at the Department of Energy. If confirmed, you have my commitment that I will fulfill the responsibilities of this office to the best of my ability.

Thank you for your consideration at this time. I would be pleased to answer any questions you might have.

The CHAIRMAN. Thank you very much, Mr. Layton, for your statement.

You have a complex task ahead of you, complex because of the diversity of the Department and the activities of the Department, so there are a lot of independent activities that have to be covered in the office which you are about to undertake.

We have gone through your papers and you have an impeccable background. I know of no problems with the nomination, and I have no particular questions.

Senator Hecht?

Senator HECHT. No, thank you, Mr. Chairman. I'm very impressed with the background and I certainly don't have any questions.

The CHAIRMAN. Thank you very much, Senator.

Mr. LAYTON. I thank you, Mr. Chairman.

The CHAIRMAN. They don't always run that smoothly. [Laughter.]

The CHAIRMAN. Thank you very much for your testimony. I don't know of any questions that might be submitted for the record, but our practice would allow members of the committee to submit questions in writing for your response in writing. We will keep that open until 5 o'clock today, and if such questions are submitted, I would hope you could get your responses in promptly so that we can move forward.

Mr. LAYTON. I will do it.

The CHAIRMAN. Thank you very much.

Mr. LAYTON. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Lindahl.

[Whereupon, David M.L. Lindahl was duly sworn by the chairman.]

The CHAIRMAN. Please be seated.

Mr. Lindahl is the nominee for the Director of the Office of Alcohol Fuels of the Department of Energy. Mr. Lindahl would be responsible for the Department's R&D and demonstration program for alcohol fuels. In addition, he would manage the program that provides technical assistance and information to the alcohol fuels industry.

Mr. Lindahl would complete the Department's evaluation of the pending applications for Federal loan guarantees for certain ethanol production facilities, assuming that the Congress extends DOE's authority to issue loan quarantees for those particular projects.

Since 1972, Mr. Lindahl has served as a specialist in energy policy for the Congressional Research Service of the Library of Congress. For 2 years beginning in 1978, he served concurrently as a Federal representative on the National Petroleum Council.

Prior to his employment with CRS, Mr. Lindahl worked for the U.S. Geological Survey and the Defense Intelligence Agency. He received a bachelor of science degree from Indiana University and an M.A. dgeree from Western Michigan University.

Mr. Lindahl. you know that we ask four standard questions of all nominees who appear before us for our approval. Will you be available to appear before this committee and other congressional committees to represent departmental positions and respond to issues of concern to the Congress?

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Mr. LINDAHL. I will

The CHAIRMAN. Your informational statement has been submitted to the committee. However, it is required that this statement be made public unless the committee decides that special circumstances justify an exception. Do you have any objection to the publication of your informational statement?

Mr. LINDAHL. I have no objection.

The CHAIRMAN. Are you aware of any personal holdings, investments, or interests that could constitute a conflict of interest or create the appearance of such a conflict should you be confirmed and assume the office to which you have been nominated by the President?

Mr. LINDAHL. My investments, personal holdings, and other interests have been reviewed by myself and the appropriate ethics counselors within the Federal Government. I have taken appropriate action to avoid any conflict of interest. There are no conflicts of interest or appearances thereof to my knowledge.

The CHAIRMAN. Are you involved in or do you have any assets held in a blind trust?

Mr. LINDAHL. No.

The CHAIRMAN. Before commencing with your statement, do you have family here this morning that you would like to introduce to the committee?

Mr. LINDAHL. Yes, I do, Mr. Chairman. My wife Carolyn, my daughter Kristin, and my son Derek.

The CHAIRMAN. I am glad to have your family here today. Were pleased to see them and they are very welcome.

You may proceed with you statement.

STATEMENT OF DAVID M.L. LINDAHL, NOMINEE TO BE DIRECTOR, OFFICE OF ALCOHOL FUELS, DEPARTMENT OF ENERGY

Mr. LINDAHL. Thank you, Mr. Chairman.

Mr. Chairman, members of the committee: I appreciate the opportunity to appear before you today as President Reagan's nominee to be Director of the Office of Alcohol Fuels of the Department of Energy. This responsibility is one that I look forward to with great anticipation.

During the last decade and a half, I have watched the alcohol fuels industry make steady strides in contributing to our energy supply. I believe alcohol fuels is a valued ingredient of our energy diversification efforts. It is an important component of energy security and of our energy future. I am committed to a strong alcohol fuels alternative and I look forward to working with Secretary Herrington toward helping fulfill the promise of this alternate fuel.

Let me note that Congress has charged the Office of Alcohol Fuels with the responsibility of overseeing the alcohol fuel loan guarantee program, which is authorized under the Energy Security Act. I am aware that Congress is considering the extension of authorities for three alcohol fuel loan guarantees.

Should this legislation pass, it would be the responsibility of the Office of Alcohol Fuels to review the three loan guarantee applications. I can assure you that this review will receive my immediate attention.

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Nearly all of my professional career has been with the Federal Government, working on energy and environmental issues, during which time I gained the kind of experience that will be extremely useful in this new position. For nearly 14 years, I have been fortunate to work for Congress as an energy specialist and have had the chance to learn from many talented people who work for the Congress, the Executive Branch, and private industry.

I am a physical scientist by training. My bachelor of science degree in earth sciences was earned at Indiana University in 1967. Prior to that, I studied engineering at Purdue University and geology at the University of Hawaii. I received my master of arts degree in geomorphology from Western Michigan University in 1968. I have taken additional postgraduate work at Massachusetts Institute of Techology and the University of Nevada.

In 1972, I joined the Congressional Research Service as an analyst in energy policy, at which time I was one of the few analysts following energy issues. I have since had the opportunity to work on a wide range of energy issues with members of Congress and their staffs.

While at the Congressional Research Service, I have also authored studies on alcohol fuels, combustion technology, refining, petroleum transportation, petroleum leasing, and many other subjects. Currently I am a specialist in energy policy at CRS and have served as the acting section head.

Coupled with my background in energy is a longstanding interest in alcohol fuels and an appreciation of the benefits that can be provided by alcohol fuels, as well as a recognition of the challenges ahead for the alcohol fuels industry. Alcohol fuels are not only a component of our present enery security; they hold considerable promise for our continued energy health.

Collectively, ethanol and methanol can help further reduce our dependence on foreign oil, can provide certain environmental benefits, and can serve as octane enhancers that can help meet EPA mandates for lead phasedowns.

Mr. Chairman, I look forward to working to help meet these challenges and to achieve the promise of alcohol fuels. I believe I bring the background, the dedication, the knowledge, and the skill which can be of help to me in carrying out these responsibilities.

I would be happy to answer any questions you might have.

[The prepared statement of Mr. Lindahl follows:]

STATEMENT OF

DAVID LINDAHL

NOMINEE FOR DIRECTOR, OFFICE OF ALCOHOL FUELS

BEFORE THE

UNITED STATES SENATE

COMMITTEE ON

ENERGY AND NATURAL RESOURCES

DECEMBER 5, 1985

WASHINGTON, D.C.

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Mr. Chairman, Members of the Committee, I appreciate the opportunity to appear before you today as President Reagan's nominee to be Director of the Office of Alcohol Fuels of the Department of Energy.

This responsibility is one that I look forward to with great anticipation. During the last decade and a half, I have watched the alcohol fuels industry make steady strides in contributing to our energy consumption needs. I believe alcohol fuels is a valued ingredient of our energy diversification efforts. It is an important component of energy security and our energy future. I am committed to a strong alcohol fuels alternative, and I look forward to working with Secretary Herrington towards helping fulfill the promise of this alternate fuel.

Let me note that, Congress has charged the Office of Alcohol Fuels with the responsibility of overseeing the Alcohol Fuel Loan Guarantee Program, which is authorized under the Energy Security Act. I am aware that Congress is considering the extension of authorities for three Alcohol Fuel Loan guarantees. Should this legislation pass, it would be the responsibility of the Office of Alcohol Fuels to review the three loan guarantee applications, and I can assure you that this review will receive my immediate attention.

Nearly all of my professional career has been with the Federal Government working on energy and environmental issues during which time I have gained the kind of experience that will be extremely useful in this new position. For

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I am a Physical Scientist by training. My Bachelor of Science degree in Earth Sciences was earned at Indiana University in 1967. Prior to that, I studied Engineering at Purdue University and Geology at the University of Hawaii. I received my Master of Arts degree in Geomorphology from Western Michigan University in 1968. I have taken additional postgraduate work at the Massachusetts Institute of Technology and the University of Nevada.

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Coupled with my background in energy is a long-standing interest in alcohol fuels and an appreciation of the benefits that can be provided by alcohol fuels as well as a recognition of the challenges ahead for the alcohol fuels industry.

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Alcohol fuels are not only a component of our present energy security, they hold considerable promise for our continued energy health. Collectively, ethanol and methanol can help further reduce our dependence on foreign oil, provide certain environmental benefits and serve as an octane enhancer that can help meet EPA mandates for lead phase downs.

Mr. Chairman, I look forward to working to help meet these challenges and the promise of alcohol fuels. I believe I bring the background, the dedication, the knowledge, and the skill which can be of help to me in carrying out these responsibilities.

I would be happy to answer any questions you might have.

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The CHAIRMAN. Thank you very much.

I am, guess with some mixed emotions, glad to see somebody with your backgound taking on a job like this. But I also hate to see the Library of Congress and CRS lose the opportunity to have the service of somebody who is, as you have put it, one of the few who have followed energy issues as closely as you have.

And I say that because there's a tendency to forget it now; is that correct? Most people believe that the energy crisis is behind us, that we have no problems?

Mr. LINDAHL. There is a tendency during periods of abundant supply to assume that these conditions will persist forever. As our recent history has shown, however these periods of abundance can often be short lived.

The CHAIRMAN. Well, if I recall the figures, our finding rates of hydrocarbons, of natural gas and oil, not coal, are less than our consumption rates, is that not correct?

Mr. LINDAHL. In most years, that has been true. There have been a few years, for example 1981, where the additions actually exceeded drawdowns. That was mainly in response to the increase in oil prices and the drilling activity that accompanied it.

In most years there has been a decline in the reserve-production ratio. It is very likely that that ratio will continue to decline over time, which makes it even more important that we look to alternate fuels to substitute for oil in the future.

The CHAIRMAN. In the early 1970's, many of us could see the expanding pattern of increased dependence on imported oil, and the declining ability of our domestic industry to provide our needs, both in gross volume and in percentage of need. And in 1973, with the Middle Eastern war and the embargo, we became completely aware as a nation of what that meant to us in cost, economic cost as well as the impact upon our lives.

We had grown slightly more complacent or less concerned in the intervening years after 1974, until 1979, when the internal strife in Iran and the war between Iran and Iraq again caused a temporary marginal shortage, and the price of oil again doubled. We are still reeling form those events in economic terms.

And yet, if I recall the most current statistics correctly, we are almost precisely today, in percentage of imports, where we were in 1973, is that not correct?

Mr. LINDAHL. At the present time, I believe the percentage is slightly below that, but it has increased somewhat during the past year. Certainly, if that trend continues, it will not be long before that level of dependency is once again reached.

The CHAIRMAN. And the people of this country, looking at policymakers, said to us in 1973 or 1974: Why didn't anybody see this coming and do something about it? In 1979 and 1980 and the years immediately following that, they condemned policymakers for having failed to anticipate what was so obviously happening.

I hope we don't get into that position again in the very near future. What role do you see alcohol fuels playing as a part of the mix of our energy resources in this country?

Mr. LINDAHL. Ethanol has become a very important blend component in gasoline, as you know. Over 7 percent of the gasoline sold in the United States consists of alcohol blends, and that percentage

is growing all the time. It has been accelerated by the requirement by the EPA to phase lead out of gasoline.

Methanol is also an alcohol that is attracting some attention. Blends may be the precursor to the introduction of neat alcohol fuels at some time in the future. At some point, I suspect that alcohol fules will constitute a fairly significant part of our liquid transportation fuel supply.

The CHAIRMAN. There's a great deal of controversy about the Du Pont waiver, the ethanol-methanol blend. I assume that you have read the literature in that regard; is that correct?

Mr. LINDAHL. Yes.

The CHAIRMAN. What is your opinion? I will throw you right in the middle of the controversy.

Mr. LINDAHL. I believe the waiver could provide an important means of extending the market for ethanol to areas where it is not now being sold. Much of the ethanol that is produced in this country is sold in the Midwestern States near the point of production. Relatively small amounts are sold on the Pacific and Atlantic coasts.

If the Du Pont waiver restrictions were eased—and most of the concern centers around the strict vapor pressure requirements that have been imposed by the EPA on this particular waiver, but not on previous waivers for other blends—it would also provide a large and instant market for methanol as well as ethanol. It would go a long way to establishing this combination of alcohol fuels as an octane enhancer that the refining industry could depend upon for assured supplies because it would be available in the quantities that major refiners would need to blend with their gasolines in the percentages required.

The CHAIRMAN. As I recall, when the decision was first made to get the tetraethyl lead removed from gasoline, thus reducing the octane rating of that gasoline the method of choice to meet the octaine requirements of the gasolines then marketed was to change the distillation fractions as they come from the refinery, and maintain an octane rating that was suitable for use in the internal combustion engines then and now is use.

Even though compression ratios have declined, they still have some problems meeting the octane requirements in the gasoline supplies. In order to get those high fractions blended into the gasoline, the total amount of gasoline that could be produced per barrel of oil was reduced.

Mr. LINDAHL. That is correct.

The CHAIRMAN. Initially, there was about a 15-percent penalty or loss in total volume of gasoline. With the decline in compression ratios, and with the change in refining techniques and the internal changes in refineries, that loss of volume has been somewhat reduced. Do you have an idea of what that loss is now?

Mr. LINDAHL. It is my understanding that it is on the order of 10 percent. It is a substantial part of the feedstock that is diverted to make these aromatic hydrocarbons, such as benzene, toluene, and xylene. These aromatics have drawbacks of their own, mainly their carcinogenicity. Octane enhancement can be provided by alcohol fuels just as easily without those carcinogenic effects and without the loss of feedstock in processing that you referred to.

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The CHAIRMAN. Is there any movement on the part of the automobile industry to move back toward higher compression engines and therefore more fuel efficient engines?

Mr. LINDAHL. There does seem to be a trend in that direction. the automakers, as you are well aware, have been under a good deal of pressure to increase their average fuel economies, and one means that they have employed to accomplish this is to slightly increase compression ratios.

This has place quite a burden on the refiners of this country to provide fuels that have the adequate octane to meet the requirements of those engines.

The CHAIRMAN. Well, I have long been an individual who has been concerned about our energy dependence and about energy policy, obviously as a part of my responsibility, but also as a matter of personal interest. I also have long been aware of the role of alcohol as an octane enhancer.

I'm sure a good many people have heard me tell the story before. When I was a student in college, I tried to get a little more horsepower out of the old flathead six in my car, and I milled the head, which required an octane enhancer. I used alcohol injection as an octane enhancer, and it worked. It worked then and it works now.

I am amazed that we are moving so slowly in just that field alone. I might say, too, that was a long time ago. [Laughter.]

But secondly, we have a tremendous surplus of agricultural commodities in this country. The taxpayers of this country are spending billions of dollars trying to protect farmers' income and to maintain prices, to find markets or substitute the Government for the natural markets for agricultural produce.

And here, it seems to me, is the conjunction of two very important national policies, if someone can just bring the two together.

You will be in a very unique position, and perhaps with a unique opportunity, to try to do that within the administration. I hope you will use that opportunity.

Mr. LINDAHL. That challenge appeals to me greatly, Mr. Chairman. I look forward to participating in this effort, because I agree with you, it is very, very important to the future of this country.

The CHAIRMAN. I am aware that most of the alcohol blends have been in the Midwest, but one of the largest alcohol producing facilities is in Kentucky. Ashland Oil built it. Incidentially, they didn't depend upon surplus or cheap commodities. They went out and contracted for corn on the open market.

Senator Hecht?

Senator HECHT. Thank you, Mr. Chairman.

I'm impressed with your background, too, but I have just to ask you one question, which is irrelevant to your position. But what were you doing for 1 month at the University of Nevada? [Laughter.]

Senator HECHT. Where were you, North or South?

Mr. LINDAHL. This was at Reno, the Mackay School of Mines. At that time, CRS had a policy of allowing us at times to go to universities like the one at Reno to participate in short courses. They had one at the Mackay School of Mines on the surface mining nonfuel minerals, and I found it to be an excellent institution and I learned

a great deal in the course. I found it to be a very enjoyable experience.

Senator HECHT. You sure say the right things. [Laughter.]

Thank you, Mr. Chairman.

The CHAIRMAN. You better quit while you're ahead. [Laughter.]

I don't know of any questions that may be submitted, but, as I advised earlier, there may be a member of the committee who wishes to submit questions in writing for response in writing. We will hold that opportunity open until the close of business today. If they are submitted to you, I hope you will get them back promptly so we can proceed further with the approval of your nomination.

Mr. LINDAHL. It would be my pleasure, Mr. Chairman.

The CHAIRMAN. Thank you very much.

And I know of no further business to come before the committee. The committee will stand adjourned.

[Whereupon, at 10:05 a.m., the hearing was adjourned.]

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APPENDIXES

APPENDIX I

Biographies and Informational Statements of the Nominees

Mr. John C. Layton, of Woodbridge, Virginia, was born in East Stroudsburg, Pennsylvania, on October 9, 1944. He graduated from Rider College in 1966 with a B.S. of Commerce degree (accounting major). He has served as the Inspector General for the Department of the Treasury since September 1984. Previously, he served as the NASA Deputy Inspector General (1983-1984) and held several other NASA OIG management positions (1980-1983). He was a Federal Bureau of Investigations Special Agent (1972-1980), during which time he conducted criminal investigations; served on a detail to the Surveys and Investigations Staff of the U.S. House of Representatives (1974-1979) and with the U.S. Senate, Committee on Appropriations Investigative Staff (1979-1980). Mr. Layton has also worked as an auditor with Litton Industries (1969-1972) and has been an Officer in the U.S. Army Finance Corps (1967-1969).

He has served on the Association of Federal Investigators Executive Board and is the Chairman of the Association of Government Accountants Ethics Committee and is a member of the Society of Former Special Agents of the FBI. He is married to the former Jan Patching and has two daughters.

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Layton (Last) John (First) C. (Other)

Position to which nominated: Inspector General - Energy Dept. Date of nomination: November 14, 1985

Date of birth: 9 (Day) 10 (Month) 44 (Year) Place of birth: East Stroudsburg, PA

Marital status: Married Full name of spouse: Jan Patching Layton

Name and ages of children: Gwen Ann Layton - 14
Susan Carlton Layton - 11

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Hamilton High East	1958-1962		
Rider College	1962-1966	B.S.	1966

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

9/84-Present -- Inspector General, Department of the Treasury, 1500 Pa. Ave., NW, Wash., DC 20220
5/83-9/84 -- Deputy Inspector General, NASA, 400 Maryland Ave., SW, Wash., DC 20546
10/82-5/83 -- OIG Center Director, NASA, Goddard Space Flight Center, Greenbelt, MD
1/80-10/82 -- Director of Investigations, NASA, Goddard Space Flight Center, Greenbelt, MD
3/72-1/80 -- Investigator, FBI, Wash., DC
9/69-3/72 -- Auditor, Litton Ind., Inc., Central Ave., Orange, NJ
10/66-8/69 -- Finance Officer, U.S. Army, various locations
6/66-9/66 -- Auditor, Litton Ind., Inc., Central Ave., Orange, NJ

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Employment record—Continued

Military service: Describe any military service not listed above, including dates, rank, and type of discharge.

10/17/66-8/27/67 -- (Enlisted - E-5), U.S. Army, Honorable Discharge

8/28/67-8/27/69 -- 1st Lieutenant, U.S. Army, Honorable Discharge

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

U.S. Army Commendation Medal

Sustained Superior Performance Award, 1980 (NASA)

Outstanding Performance Appraisal, 1983 (NASA)

Outstanding Performance Appraisal, 1984 (NASA)

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Dates	Office held (if any)
National Assn. of Accountants	1966-1972	None
Assn. of Govt. Accountants	1981-present	Chairperson, Ethics Board
Assn. of Federal Investigators	1980-present	Treasurer/Mem Bd. of Direct
Society of Former Agents of the FBI	1980-present	None
Assn. of Federal Investigators Endowment Fund	1985-present	Director

Published writings:

List the titles, publishers and dates of any books, articles, or reports you have written.

None

Future employment relationships:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

Not applicable. Currently employed by U.S. Government at the Department of the Treasury.

2. Do you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization?

No

3. Has a commitment for employment after you leave government been made to you by anyone? Have you made any such commitment?

No

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

Not applicable.

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Future employment relationships—Continued

(b) If you have been appointed for an indefinite term, are there any known limitations on your willingness or ability to serve for the foreseeable future?

No

Financial statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

None

3. Are you currently a party to any legal action? If so, describe its nature and status.

No

4. Have you ever declared bankruptcy? If so, describe the circumstances.

No

5. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

Yes

6. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

No

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Potential conflicts of interest:

1. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

None

2. Describe any business relationship, dealing or financial transaction (other than taxpaying) that you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, which might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

3. Describe any lobbying activity which you have performed during the past 10 years with respect to legislative or administrative actions at the Federal, State or local level.

None

4. Have you been informed of the conflict of interest laws and regulations applicable to the position to which you have been nominated?

Yes

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Potential conflicts of interest—Continued

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to this form and the attachments thereto. Attach a statement of the appropriate agency ethics official explaining the applicable laws or regulations, any potential conflicts, and the action required to resolve such conflicts.

I do not believe I have any potential conflicts of interest.

6. Explain how you will resolve any potential conflicts of interest that may arise in the future if you are confirmed for the position for which you have been nominated.

I do not anticipate any potential conflict of interest situations in the future. If such should arise, I will consult and abide by any decisions of the agency designated Ethics Official.

Public disclosure. Do you have any objections to this form and the attachments thereto being made public?

No

AFFIDAVIT

I, John C. Layton, being duly sworn, hereby state that I have read the foregoing Statement for Completion by Presidential Nominees, including all attachments thereto, and that the information provided therein is, to the best of my knowledge and belief, current, accurate, and complete.

John C. Layton
(Signature of Nominee)

Subscribed and sworn to before me this 26th day of November, 1985

Elizabeth-Anne R. Tackovich
Notary Public

My Commission Expires August 14, 1988

Form approved by the Committee February 5, 1985.

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U.S. GOVERNMENT PRINTING OFFICE: 1985—43-091

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Department of Energy
Washington, DC 20585

The Honorable James A. McClure
Chairman
Committee on Energy and Natural Resources
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

Please be advised that, pursuant to section 201(b) of the Ethics in Government Act of 1978, as amended, I have informed the appropriate ethics officials that the information required by section 202(a)(1)(A) with respect to income and honoraria is current as of Monday, December 2, 1985. This date is within five days prior to the date of the first hearing scheduled to consider my nomination.

Sincerely yours,

John C. Layton

John C. Layton

Enclosure

District of Columbia ss

Subscribed and sworn to before me this 2nd day of December, 1985.

Elizabeth-Anne R. Tkachuk
Notary Public

My Commission Expires August 14, 1989

cc: The Honorable J. Bennett Johnston

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OFFICIAL COMMITTEE FILE
PLEASE RETURN

United States of America
Office of Government Ethics

Office of Personnel Management
P.O. Box 14108
Washington, D.C. 20044

NOV 22 1985

SENATE COMMITTEE ON
ENERGY AND NATURAL RESOURCES
RECEIVED
NOV 25 1985
WASHINGTON, D.C. 20510

Honorable James A. McClure
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by John C. Layton, who has been nominated by President Reagan for the position of Inspector General, Department of Energy.

We have reviewed the report and have also obtained advice from the Department of Energy concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. Based thereon, we believe that Mr. Layton is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

David H. Martin
Director

Enclosure

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Financial Disclosure Report

Page 1

(Please Type)

Agency Use Only: NOV 18 1985

OGE Use Only: NOV 20 1985

Incumbent | X New Entrant, Reelection or Candidate | Termination Filer

Date of Appointment, Candidacy, Election or Reelection (Mo., Day, Yr.):

Termination Date (If Applicable) (Month, Day, Year):

	Last Name	First Name and Middle Initial
Reporting Individual's Name	LAYTON	JOHN C.
Position for Which Filing	Title of Position: Inspector General	Department or Agency (If Applicable): Energy
Location of Present Office	Address (Number, Street, City, State and ZIP Code): 1500 Pennsylvania Avenue, N.W. Washington, D.C. 20220	Telephone No. (Include Area Code): (202) 566-6900
Position(s) Held With the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held: Inspector General, Treasury Dept. 9/17/84 - Present Deputy Inspector General, NASA 5/29/83 - 9/16/84	
Presidential Nominee Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination: Energy and Natural Resources	Do You Intend to Create a Qualified Diversified Trust? Yes / X No

Certification

I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.

Signature of Reporting Individual: John C. Layton — Date (Month, Day, Year): 8/20/85

Other Review (If desired by agency) — Signature of Other Reviewer — Date (Month, Day, Year):

Agency Ethics Official's Opinion — Signature of Designated Agency Ethics Official/Reviewing Official: Roger D. Zinneberg — Date (Month, Day, Year): 11/19/85

Office of Government Ethics Use Only — Signature: David H. Martin — Date (Month, Day, Year): 11-22-85

Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet):

Mr. Layton has stated that the information on this form is current as of 8/19/85.

CF 11-4-85

(Check box if comments are continued on the reverse side)

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Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A, C, and D. (Candidates do not file Part II of Schedule D.)

- **Schedule A**—The reporting period for income (BLOCK C) and Transactions Test (BLOCK D) is the preceding calendar year and the current calendar year up to the date of filing. Value assets in BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I (Liabilities)**—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II (Agreements and Arrangements)**—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

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NOV 18 1985

Reporting Individual's Name	Assets and Income	Page Number	Schedule
LAYTON, JOHN C.		2	A

All Filers: In BLOCK A report (a) the identity of each asset held for the production of income as the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset on which income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and certain holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 or more received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Transactions and Termination Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

	BLOCK A Assets & Income Sources	BLOCK B Valuation of Assets	BLOCK C Income																	BLOCK D Transactions Test	
	Identify each asset and income source of yours, your spouse's(S) and your dependent child (DC). NONE ☐	Category of Value (X)							Type of Income (X)					Other (Specify Type)	Category of Amount of Income (X)											YES	NO
		None (or less than $1001)	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	$250,001-$500,000	$500,001-$1,000,000	Dividends	Rent	Interest	Capital Gains	Blind/Excepted Trust		None (or less than $101)	$101-$1,000	$1,001-$2,500	$2,501-$5,000	$5,001-$15,000	$15,001-$50,000	$50,001-$100,000	Over $100,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Necessary		
	S DC — Exempt — XYZ Common, San Jones & Stock, Hometown, USA				X				X								X								X	
1	1st American S&L Woodbridge, VA		X								X					X										
2	NASA Credit Union		X								X					X										
3	Litton Ind., (Common)		X						X						X											
4	U.S. Savings Bonds		X								X				X	SE 11-19-85										
5	John Hancock (2 ins. policies)				X				X		X		SE	11-19-85		X										
6	Treasury Credit Union		X								X				X											
7	John Hancock TAX EXEMPT Mutual Fund (10/10/85 purchase date)		X						X				SE	11-19-85	X											
8																										
9																										
10																										

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NOV 18 1985

Page Number 3 | Schedule B

LAYTON, JOHN C.

Part I
Transactions

Incumbents and Termination Filers only: Report any purchase, sale or exchange by you, your spouse or dependent child during the reporting period of any real property, stocks, bonds, commodities futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse or your dependent child.

NONE ☐

	Identification of Asset	Type of Transaction (X)				Amount of Transaction (X)					
		Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	$1,001-$15,000	$15,001-$50,000	$50,001-$100,000	$100,001-$250,000	Over $250,000
1	XYZ Common	X			3/1/83			X			
2	N/A SP 11-19-85										
3											
4											
5											
6											

Part II
Gifts, Reimbursements and Travel Expenses

Incumbents and Termination Filers only:
Report the source, a brief description and the value of: (1) in-kind gifts of transportation, lodging, food or entertainment received from one source totaling $250 or more unless received as personal hospitality at the donor's personal or family residence; (2) other gifts received from one source totaling $100 or more in value; and (3) cash reimbursements of $250 or more received from one source. Exclude gifts and reimbursements received by your spouse that were given totally independent of their relationship to you. Exclude transportation, lodging, food and reimbursements from the U.S. Government. For (1) and (2), exclude gifts from relatives and exclude gifts of $35 or less when aggregating them for the total from one source. See instructions for further exclusions.

NONE ☐

	Source (Name and Address)	Brief Description	Value
1	Nat'l Acad. of Rare Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 9/15/85	$900
2	Nat'l Assn. of Rare Collectors, NY, NY	Leather briefcase for moving president	$120
3	N/A SP 11-19-85		
4			
5			
6			
7			
8			

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NOV 18 1985

Reporting Individual's Name
LAYTON, JOHN C.

Page Number 4 | Schedule C

Part I
Liabilities

All Filers: Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to relatives. See instructions for revolving charge accounts.

NONE [X]

	Creditor (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term of applicable date	Category of Amount or Value (X) $10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
S or DC	Exam-ple: First District Bank, Washington, DC John Jones, 123 J St., Washington, DC	Mortgage on rental property, Rehoboth Beach, Delaware	1981	13%	30 yrs.			X		
		Promissory note	1979	10%	on demand	X				
1										
2										
3										
4										
5										
6										

Part II
Agreements Or Arrangements

All Filers: Report your agreements or arrangements for future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

NONE [X]

	Status and Terms of any Agreement or Arrangement	Parties	Date (Mo., Yr.)
Example:	Pursuant to partnership agreement, will receive capital account & partnership share commission on service performed through 11/83	Doe Jones & Smith, Hunni town, USA	7/76 partnership agmnt.

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SF 278 (Rev. 1/95)
5 CFR Chapter XCVI
U.S. Office of Personal Management

Form Approved:
OMB No. 3209-0007

Reporting Individual's Name

LAYTON, JOHN C.

Page Number	5	Schedule D

Part I
Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting period. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution.

Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE ☐

Organization (Name and Address)		Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/82	6/83
	Doe Jones & Smith, Hometown, USA	Law firm	Partner	7/76	11/83
Association of Federal Investigators 1612 K Street, N.W., Washington, D.C. 20006		Non-profit Professional	Member, Board of Directors	1980	Present
Association of Government Accountants 727 S. 23rd Street, Arlington, VA 22202		Non-profit Professional	Chairperson, Ethics Board	6/85	Present

Part II
Compensation in Excess Of $5000 Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE ☒

Source (Name and Address)		Brief Description of Duties
Examples	Doe Jones & Smith, Hometown, USA	Legal services
	Metro University (client of Doe Jones & Smith) Hometown, USA	Legal services in connection with university construction

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FEBRUARY AGO 1990

United States Government

Department of Energy

memorandum

DATE NOV 20 1985

REPLY TO ATTN OF GC-44

SUBJECT Statement of Agency Ethics Official for Senate Committee

TO John C. Layton

This memorandum is intended to serve as a statement from the designated agency ethics official for this Department, as required by question 5, page 6, of the Statement for Completion by Presidential Nominees that you are submitting to the United States Senate Committee on Energy and Natural Resources in connection with your nomination for the position of Inspector General. I have reviewed your Standard Form 278 (Financial Disclosure Report) dated August 20, 1985, 1/ and your Form DOE-460 (Report on Prior Employment) dated November 19, 1985, and have certified that the information contained therein discloses no conflict of interest under applicable laws and regulations. 2/

As a supervisory employee of the Department, you are prohibited by section 602(a) of the DOE Organization Act (Pub. L. 95-91) from knowingly receiving compensation from, holding any official relation with, or having any pecuniary interest in any energy concern. The term "energy concern" is defined in section 601(b) of the Act as any entity "significantly engaged in the business" of any of a variety of activities related to energy production, distribution, sale, or research and development, or any entity significantly engaged in such research and development pursuant to a DOE-funded program irrespective of whether it otherwise engages in such business. The term also includes any entity holding an interest in property from which an energy resource is commercially produced or obtained.

In addition, section 208, title 18, United States Code, prohibits you from participating personally and substantially, as a Government employee, in any particular matter in which, to your

---

1/ You have informed my office that the information on this form is accurate as of November 19, 1985.

2/ Section 201(b) of the Ethics in Government Act (Pub. L. 95-521) requires the income and honoraria information on your form to be updated within five days before the date of the Committee hearing to consider your nomination.

knowledge, you have or your spouse, minor child, partner, organization in which you are serving as officer, director, trustee, partner, or employee, or any person or organization with whom you are negotiating or have any arrangement concerning prospective employment has, a financial interest. Accordingly, you should avoid participation in any particular matter the outcome of which could have a direct and predictable effect on any such financial interests.

Please let me know if I can be of further assistance.

Ralph D. Goldenberg
Assistant General Counsel
for General Law

cc: Larry Garrett, White House
Nancy Feathers, OGE

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BIOGRAPHY OF DAVID M. L. LINDAHL

David Lindahl is a Specialist in Energy Policy with the Congressional Research Service, the research arm of the U.S. Congress. Since joining the Environment and Natural Resources Policy Division of CRS in 1972, he has advised and assisted the Congress on energy policy issues concerning alcohol fuels, combustion technology, refining, petroleum transportation, and petroleum supply and demand. Mr. Lindahl has worked with all of the congressional committees having energy jurisdiction and with many of the Members in developing legislative ideas for energy policy during the past 14 years. He has also served as the Federal Represen-tative to the National Petroleum Council and had a major role in the production of its report on petroleum inventories, storage, and transportation capacities. He served as the Assistant Director for Research and Analysis of DOE's Office of Energy Transportation and contributed to its report on transportation options for surplus West Coast crude oil. Prior to joining CRS, Mr. Lindahl worked on remote sensing program's in the Director's Office and in the Office of Regional Geophysics at the U.S. Geological Survey. He has also served as a consultant to the National Geographic Society and has been a lecturer at Northern Virginia Community College. He taught high school science in Fort Wayne, Indiana (his home town) before coming to Washington in 1969 to work as an intelligence specialist on Middle Eastern affairs for the Defense Intelligence Agency. He graduated with a B.S. in Earth Science from Indiana University in 1967 and an M.A. in geomorphology from Western Michigan University in 1968. He also attended Purdue University, the University of Hawaii, MIT, the University of Nevada, and the Defense Intelligence School. He has written numerous publications and is listed in Indiana Authors and Their Works. He was chosen Outstanding Young Man of America by the Jaycees in 1978. Mr. Lindahl lives in Springfield, Virginia with his wife Carolyn and their two children, Kristin and Derek.

UNITED STATES SENATE
COMMITTEE ON ENERGY AND NATURAL RESOURCES
STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Lindahl (LAST) David (FIRST) N. L. (OTHER)

Position to which nominated: Director, Office of Alcohol Fuels

Date of nomination: Nov. 13, 1985

Date of birth: 6 (DAY) August (MONTH) 44 (YEAR) Place of birth: Fort Wayne, Indiana

Marital status: Married Full name of spouse: Carolyn Mack Lindahl

Name and ages of children: Kristin Leigh Lindahl (10)
Derek Matthew Lindahl (7)

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Western Michigan Univ.	8/67 - 12/68	M.A.	12/68
Indiana University	9/64 - 6/67	B.Sc.	6/67
University of Hawaii	1/64 - 6/64		
Purdue University	9/62 - 1/64		
Mass. Inst. of Technology	7/73 - 8/73		
University of Nevada	1/75 - 2/75		
Defense Intelligence Sch.	7/69 - 9/69	Diploma	9/69

Employment record: List below all positions held since college, including the title and description of job, name of employer, location, and dates.

See Attachment A

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Employment record—Continued

Military service: Describe any military service not listed above, including dates, rank, and type of discharge.

N/A

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

National Merit Letter of Commendation

Purdue Alumni Scholarship, PTA Scholarship, WWU Graduate Assistantship

High Dean's List (Indiana Univ.), Four-Year Honor Roll

Jaycee Outstanding Young Man of America (1978)

Indiana Authors and Their Works, C.E. College Bowl (Indiana Univ.)

Outstanding Performance Rating (DIA)

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Dates	Office held (if any)
Order of DeMolay	1960 - present	Almoner
Hampden Heights Civic Assn.	1972 - 1975	Director
Willkie Men's Cooperative	1965 - 1966	Governor
Assn. of American Geographers	1967 - 1971	
Gamma Theta Upsilon	1968 - 1969	

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Published writings:

List the titles, publishers and dates of any books, articles, or reports you have written.

See Attachment B

Future employment relationships:

1. Will you sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate?

Yes

2. Do you have any plans after completing government service to resume employment, affiliation or practice with your current or any previous employer, business firm, association or organization?

No

3. Has a commitment for employment after you leave government been made to you by anyone? Have you made any such commitment?

No, No

4. (a) If you have been appointed for a fixed term, do you expect to serve the full term?

N/A

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Future employment relationships—Continued

(b) If you have been appointed for an indefinite term, are there any known limitations on your willingness or ability to serve for the foreseeable future?

No

Financial statement:

1. Attach a copy of your Executive Personnel Financial Disclosure Report (SF 278).

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services and firm memberships or from former employers, clients, and customers. Amounts should be indicated by the categories established for reporting income on Form SF 278, Schedule A.

N/A

3. Are you currently a party to any legal action? If so, describe its nature and status.

No

4. Have you ever declared bankruptcy? If so, describe the circumstances.

No

5. Have you filed a Federal income tax return for each of the last 10 years? If not, please explain.

Yes

6. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

No

Potential conflicts of interest:

1. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

None

2. Describe any business relationship, dealing or financial transaction (other than taxpaying) that you have had during the last 10 years with the Federal Government, whether for yourself or relatives, on behalf of a client, or acting as an agent, which might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

3. Describe any lobbying activity which you have performed during the past 10 years with respect to legislative or administrative actions at the Federal, State or local level.

None

4. Have you been informed of the conflict of interest laws and regulations applicable to the position to which you have been nominated?

Yes

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Potential conflicts of interest—Continued

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to this form and the attachments thereto. Attach a statement of the appropriate agency ethics official explaining the applicable laws or regulations, any potential conflicts, and the action required to resolve such conflicts.

I do not believe there are any conflicts of interest as posed by this question.

6. Explain how you will resolve any potential conflicts of interest that may arise in the future if you are confirmed for the position for which you have been nominated.

Should any potential conflicts of interest arise, I would consult with the appropriate Government ethics officials to resolve those questions.

Public disclosure: Do you have any objections to this form and the attachments thereto being made public?

No

AFFIDAVIT

District of Columbia) ss

I, David M.L. Lindahl, being duly sworn, hereby state that I have read the foregoing Statement for Completion by Presidential Nominees, including all attachments thereto, and that the information provided therein is, to the best of my knowledge and belief, current, accurate, and complete.

David M. L. Lindahl
(Signature of Nominee)

Subscribed and sworn to before me this 26th day of November, 19 85

Chiquita K. Vines
Notary Public

Form approved by the Committee February 5, 1985.

U.S. GOVERNMENT PRINTING OFFICE: 1985—43-095

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ATTACHMENT A

EMPLOYMENT

CURRENT POSITION: Specialist in Energy Policy (GS-15)
EMPLOYER: Congressional Research Service, Library of Congress
SUPERVISOR: Carl Behrens
DATE OF EMPLOYMENT: 9/72 to Present
DESCRIPTION OF WORK: Coordinate task groups to produce timely, comprehensive, and analytical reports on policy issues such as refining, energy transportation, alcohol fuels, automotive technology, OPEC, and availability of crude oil and refined products. Supervise junior analysts on these projects and coordinate them with other CRS divisions and the client Members and committees. Analyze energy policy issues, particularly those that are petroleum-related (petroleum supply and demand, refining, petroleum transportation, alternative fuels technology, resource estimation, leasing policy, production policy, demand management, policies of producing and consuming countries, and others). Advise and assist committees and members on a wide range of energy issues; assist in the development of legislation and in the planning of hearings. Represent CRS (often as speaker) at seminars, conferences, and symposia. Widely recognized among Members of Congress and staffers as a reliable source of information on petroleum and alcohol fuel issues. Acting Head of the Energy and Minerals Section.

POSITION: Federal Representative
EMPLOYER: National Petroleum Council
SUPERVISOR: Joan Walsh Cassedy
INDUSTRY CO-CHAIRMAN: Gordon Kirk (Sun Oil Co.)
DATE OF EMPLOYMENT: 8/78 to 10/80 (Part time)
DESCRIPTION OF WORK: Provided coordination and guidance to the Petroleum Pipeline Subcommittee on the NPC Committee on U.S. Petroleum Inventories, and Storage and Transportation Capacities; contributed to the total revision of the 1967 study and provided much of the descriptive information on the U.S. petroleum pipeline network and its functions and problems; identified significant changes and trends since 1967; identified new lines planned and under construction; analyzed the flexibility of systems to respond to disruptions or other emergencies; designed questionnaires and other forms to obtain the necessary information. All of the other subcommittee members were pipeline company presidents.

POSITION: Assistant Director for Research and Analysis
EMPLOYER: Office of Energy Transportation, Department of Energy (CRS detail)
SUPERVISOR: Mario Cardullo
DATE OF EMPLOYMENT: 5/78-9/78 (Plus additional work as advisor, consultant, and editor)
DESCRIPTION OF WORK: Supervised and directed a group of more than seven professionals in a project to identify, analyze, and evaluate transportation alternatives to resolve the West Coast crude oil surplus and the feedstock acquisition problems of the Northern Tier refiners. Responsible for program development, contract monitoring, supply/demand scenario development, and general analysis. Additional projects included the West Coast oil disposition study and the California crude oil issue. Conducted numerous briefings and meetings with state offices, industry, and other Federal offices. The project study formed the basis for petroleum transportation policy decisions at the highest level. Developed plan for formal establishment of the Office of Energy Transportation within the Department of Energy.

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EMPLOYMENT (cont.)

POSITION: Consultant
EMPLOYER: National Geographic Society
LIAISON: Margaret Pogarty
DATE OF EMPLOYMENT: 9/73-Present (Part time)
DESCRIPTION OF WORK: Consulted on alternative fuels and automotive technology and developed a film-strip series on energy for use in junior high schools, included proposal of series ideas, editing scripts, and assistance in photo selection.

POSITION: Lecturer
EMPLOYER: Northern Virginia Community College
SUPERVISOR: Dr. Leonard Mills
DATE OF EMPLOYMENT: 3/71-6/74 (Part time)
DESCRIPTION OF WORK: Planned and taught courses in Environmental Geoscience (Physical Geography) with emphasis on resource availability, environmental problems, meteorology, and landforms. These courses were offered in the evening for credit and included professionals as well as undergraduates; a special section concerning energy systems in the environment was taught.

POSITION: Physical Scientist
EMPLOYER: U.S. Geological Survey
SUPERVISOR: Dr. Jules Friedman
DATE OF EMPLOYMENT: 10/70-9/72
DESCRIPTION OF WORK: Served as liaison with other Interior Department agencies and other Federal, State and local agencies to develop applications for remote sensing data. Conducted energy systems analysis, especially thermal infrared remote sensing techniques to determine existing and potential applications to the geological sciences. Designed a retrieval system for the rapid key-word access to stored research materials; performed graphic analysis on thermal data relayed by satellite; organized conferences and analyzed environmental legislation.

POSITION: Intelligence Research Specialist
EMPLOYER: Defense Intelligence Agency
SUPERVISOR: Dr. Malcolm Robinson
DATE OF EMPLOYMENT: 7/69-10/70
DESCRIPTION OF WORK: Produced long-range planning and forecasting of conflict environments. Twenty-year projections were made to determine potential problem areas. Responsible for assessment of resources and policies of the Arabian Peninsula (Saudi Arabia, Kuwait, and other Persian Gulf States); dealt with the influence of Arab oil in international relations.

POSITION: Teacher
EMPLOYER: Fort Wayne C.C. High School
SUPERVISOR: John Hammond
DATE OF EMPLOYMENT: 7/68-6/69
DESCRIPTION OF WORK: Taught Physical Science, Physical Geography, and World Culture courses in a four-year high school.

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ATTACHMENT B

PUBLICATIONS

Energy Initiatives of the 97th Congress. Senate Committee on Energy and Natural Resources. U.S. Govt. Printing Office, Washington, DC. October 1984. 256 p.

Oil Pipeline Deregulation. House Energy and Commerce Subcommittee on Fossil and Synthetic Fuels. U.S. Govt. Printing Office, Washington, DC. November 198 . 328p.

Oil Pipeline Safety. House Committee on Energy and Commerce Subcommittee on Fossil and Synthetic Fuels. U.S. Govt. Printing Office, Washington, DC. December 1984. 114 p.

Alaskan Oil Exports. CRS Issue Brief. September 1984. 16 p.

The Webster-Heise Valve: A Significant Improvement in the Internal Combustion Engine and Its Fuels? CRS Report. September 1982. 145 p.

Energy Initiatives of the 96th Congress. Senate Committee on Energy and Natural Resources. U.S. Govt. Printing Office. June 1982. 250 p.

The Leasing of Energy and Mineral Resources on Federal Lands. CRS Issue Brief. April 1982. 28 p.

The Department of Energy: Background and Issues Regarding Potential Reorganization. CRS Report. March 1982. 90 p.

Major Issues Associated with the Alaska Natural Gas Transportation Waivers. House Energy and Commerce Subcommittee on Fossil and Synthetic Fuels. U.S. Govt. Printing Office, Washington, DC. December 1981. 137 p.

The Methanol Alternative to the Alaska Natural Gas Transportation System. CRS Report. November 1981. 35 p.

Environmental Issues Associated with the Auto Industry. CRS Report. November 1981. 45 p.

The Energy Factbook: Data on Energy Resources, Reserves, Production, Consumption, and Prices. House Interstate and Foreign Commerce Subcommittee on Energy and Power. U.S. Govt. Printing Office, Washington, DC. November 1980. 860 p.

U.S. Refineries: A Background Study. House Interstate and Foreign Commerce Subcommittee on Energy and Power. U.S. Govt. Printing Office, Washington, DC. 1980, 169 p.

Petroleum Storage and Transportation Capacities, Vol. III: Petroleum Pipeline. National Petroleum Council, Washington, DC. December 1979. 212 p.

Petroleum Supply Alternatives for the Northern Tier and Inland States Through the Year 2000. Vols. I and II, Final Report. Department of Energy, Washington, DC. October 31, 1979. 929 p.

Energy: The Strategic Petroleum Reserve. CRS Report. November 1979. 9 p.
Gasoline: The U.S. Shortage. CRS Report. May 1979. 20 p.

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PUBLICATIONS (Cont.)

Energy Initiatives of the 95th Congress. Senate Committee on Energy and Natural Resources. U.S. Govt. Printing Office, Washington, DC. May 1979. 338 p.

The 95th Congress and Energy Policy. House Interstate and Foreign Commerce Subcommittee on Energy and Power. U.S. Govt. Printing Office, Washington, DC. 1979. 67 p.

Mexico's Oil and Gas Policy: An Analysis. Joint Economic Committee and Senate Foreign Relations Committee. U.S. Govt. Printing Office, Washington, DC. January 1979. 72 p.

National Energy Transportation, Volume III--Issues and Problems. Committee Print of the Senate Committee on Energy and Natural Resources. U.S. Govt. Printing Office, Washington, DC. March 1978. 560 p.

The Funding and Development of the Strategic Petroleum Reserve. CRS Report. February 27, 1978. 21 p.

Federal Coal Leasing Policies and Regulations. Committee Print of the Senate Committee on Energy and Natural Resources. U.S. Govt. Printing Office, Washington, DC. January 1978. 159 p.

National Energy Transportation, Volume III. Alaskan Oil Surplus, Transportation Requirements of the Strategic Petroleum Reserve, Oil Tanker Surplus, Feedstock Supply Problems of Northern Tier Refiners, Additional Crude Oil Pipeline Capacity in Alaska, Conversion of Florida Natural Gas Line to Petroleum Products Transport Chapters in Committee Print of the Senate Committee on Energy and Natural Resources. U.S. Govt. Printing Office, Washington, DC. 1978.

Energy Tax Provisions (Summary of Written Statements on the Energy Proposals). Committee Print of the Senate Finance Committee and the Joint Committee on Taxation. U.S. Govt. Printing Office, Washington, DC. September 22, 1977. 24 p.

Energy Program (Summary of Public Testimony of the Administration's Energy Proposals). Committee Print of the House Committee on Ways and Means and the Joint Committee on Taxation. U.S. Govt. Printing Office, Washington, DC. June 6, 1977. 37 p.

Energy Program (Glossary of Energy Terms). Committee Print of the Joint Committee on Taxation. U.S. Govt. Printing Office, Washington, DC. June 3, 1977. 22 p.

An Initial Analysis of the President's National Energy Plan (Oil Imports, Oil Pricing, and the Outer Continental Shelf). Committee Print of the House Interior and Insular Affairs Committee. U.S. Govt. Printing Office, Washington, DC. May 1977. 377 p., plus appendix.

National Energy Transportation. Committee Print of the Senate Committee on Energy and Natural Resources. U.S. Govt. Printing Office, Washington, DC. May 1977. 587 p., plus appendix.

PUBLICATIONS (Cont.)

State Surface Mining Laws: A Survey, A Comparison with the Proposed Federal Legislation, and Background Information. Committee Print of the Senate Committee on Energy and Natural Resources. U.S. Govt. Printing Office, Washington, DC. May 1977. 200 p.

Oil Policy (in Congress and the Nation's Environment). Committee Print of the Senate Committee on Energy and Natural Resources. U.S. Govt. Printing Office, Washington, DC. January 1977. 116 p.

Mines and Mineral Resources (in Congress and the Nation's Environment). Committee Print of the Senate Committee on Energy and Natural Resources. U.S. Govt. Printing Office, Washington, DC. January 1977. 119 p.

Issues and Policy Areas Identified for Consideration in the 95th Congress. House Committee on Interior and Insular Affairs. January 1977. 117 p., plus appendix.

Prospects for Non-OPEC Oil Imports, in Multinational Oil Companies and OPEC: Implications for U.S. Policy. Hearings of the Joint Economic Committee, June 2, 3, and 8, 1976; U.S. Govt. Printing Office, Washington, DC. 1977. pp. 315-324.

Energy Legislation in the 94th Congress. Committee Print of the Senate Committee on Interior and Insular Affairs, U.S. Govt. Printing Office, Washington, DC. 1976. 90 p.

Report to the Committee on the Budget: Views and Estimates of the Comittee on Interior and Insular Affairs. House of Representatives on the Budget Proposed for Fiscal Year 1977. U.S. Govt. Printing Office, Washington, DC. March 1976. 80 p.

Federal Leasing of Petroleum on the Outer Continental Shelf. Committee Print of the Senate Committee on Interior and Insular Affairs. U.S. Govt. Printing Office, Washington, DC. January 1976. 75 p.

Energy Policy and Conservation Act: Summary Analysis of the S. 622 Conference Report. CRS Report. December 1975. 21 p. (Reprinted by Senator Glenn in The Congressional Record on Dec. 16, 1975, p. S22419-22422).

Oil and Gas in the Far North. CRS Multilith. December 1975. 48 p.

Offshore Oil: Selected References 1969-1975. CRS Multilith. August 1975. 27 p.

Emergency Petroleum Allocation Act Expiration. CRS Issue Brief. August 1975.

Energy Statistics. Committee Print of the Senate Committee on Finance. U.S. Govt. Printing Office, Washington, DC. July 1975. 45 p.

Outer Continental Shelf Leases. CRS Report, June 1975, 13 p.

A Comparison of Five Energy Plans. CRS Report, May 1975, 7 p.

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PUBLICATIONS (Cont.)

Congress and the Nation's Environment. Energy and Fuels Chapter (265 p.) and Mines and Minerals Chapter (63 p.), Environmental and Natural Resources Affairs of the 93d Congress, Committee Print of the Senate Committee on Interior and Insular Affairs, U.S. Govt. Printing Office, Washington, DC, April 1975.

The Energy Crisis and Proposed Solutions: Summary of Testimony. Committee Print of the House Committee on Ways and Means, U.S. Govt. Printing Office, Washington, DC, March 1975, 51 p.

Materials Shortages: Iron and Steel. Committee Print of the Senate Government Operations Permanent Subcommittee on Investigations, U.S. Govt. Printing Office, Washington, DC, August 1974, 34 p.

Materials Shortages: Industry Perceptions of Shortages. Committee Print of the Senate Government Operations Permanent Subcommittee on Investigations, U.S. Govt. Printing Office, Washington, DC, August 1974, 42 p.

Energy Policy and Resources Management. Committee Print of the House Science and Astronautics Subcommittee on Energy, U.S. Govt. Printing Office, Washington, DC, July 1974, 100 p.

The Impact of Energy Shortages on U.S. Environmental Standards CRS Multilith, January 1974 (Reprinted by Senator Hathaway in The Congressional Record on April 4, 1974, p. S5258-5266).

The Prospects of Gasoline Availability: 1974. Committee Print of the Senate Committee on Interior and Insular Affairs, U.S. Govt. Printing Office, Washington, DC, 1974, 135 p.

Staff Study of the Oversight and Efficiency of Executive Agencies with Respect to the Petroleum Industry, Especially As It Relates to Recent Fuel Shortages. Committee Print of the Senate Government Operations Permanent Subcommittee on Investigations, U.S. Govt. Printing Office, Washington, DC, November 1973, 112 p.

Narrative Chronology of the Oil Shortage: 1970-1973. CRS Report, October 1973, 52 p.

Oil and Gasoline Shortages--Some Economic, Public Policy and Legal Aspects. CRS Report, June 1973, 105 p.

Summary Analysis of the President's Energy Message of April 18, 1973. CRS Report, June 1973, 96 p.

Background Report: The Midwestern Fuel Oil Crisis. CRS Report, January 1973, 27 p.

"Appraisal of Natural Resources Supply and Demand" (20 p.) and "Mines and Minerals" (37 p.). Chapters in Congress and the Nation s Environment, Committee Print of the Senate Committee on Interior and Insular Affairs. U.S. Govt. Printing Office, Washington, DC. January 1973.

The Gasoline Shortage: A National Perspective. Committee Print of the Senate Committee on Interior and Insular Affairs. U.S. Govt. Printing Office, Washington, DC. 1973. 91 p.

Department of Energy
Washington, DC 20585

December 3, 1985

The Honorable James A. McClure
Chairman
Committee on Energy and Natural Resources
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

Please be advised that, pursuant to section 201(b) of the Ethics in Government Act of 1978, as amended, I have informed the appropriate ethics officials that the information required by section 202(a)(1)(A) with respect to income and honoraria is current as of Tuesday, December 3, 1985. This date is within five days prior to the date of the first hearing to consider my nomination.

Sincerely yours,

David M. L. Lindahl

Washington, DC ss

Subscribed and sworn to before me this 3rd day of December, 1985.

Notary Public

My Commission Expires Aug. 31, 1988

cc: The Honorable J. Bennett Johnston

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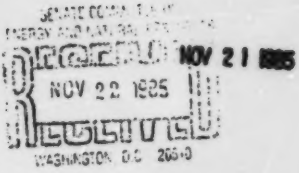
United States of America
Office of Government Ethics

Office of Personnel Management
P.O. Box 14108
Washington, D.C. 20044



Honorable James A. McClure
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by David M. L. Lindahl, who has been nominated by President Reagan for the position of Director, Office of Alcohol Fuels, Department of Energy.

We have reviewed the report and have also obtained advice from the Department of Energy concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. Based thereon, we believe that Mr. Lindahl is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

David H. Martin
Director

Enclosure

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Financial Disclosure Report

Page 1

Reporting Status (Check Appropriate Box)	Agency Use Only: NOV 18 1985	OGE Use Only: NOV 19 1985	Date of Appointment, Candidacy, Election or Nomination (Mo., Day, Yr.): July 29, 1985
☐ Incumbent ☒ New Entrant, Nominee, or Candidate ☐ Termination Filer			Termination Date (If Applicable) (Month, Day, Year):
Reporting Individual's Name	Last Name: Lindahl	First Name and Middle Initial: David M. L.	
Position for Which Filing	Title of Position: Director, Office of Alcohol Fuels	Department or Agency (If Applicable): Department of Energy	
Location of Present Office	Address (Number, Street, City, State and ZIP Code): CRS/ENR, Library of Congress Washington, DC 20540	Telephone No. (Include Area Code): (202) 287-7242	
Person(s) Who Will Act for the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held: Special Assistant to Energy Advisor to Congressional Research Service, Library of Congress, 1985		
Presidential Nominee Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination: Energy and Natural Resources	Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No	

Certification

I CERTIFY that the statements I have made on this form and all attached schedules are complete and correct to the best of my knowledge and belief.

Signature of Reporting Individual: David M. L. Lindahl — Date (Month, Day, Year): August 1, 1985

Other Review (If desired by agency)

Signature of Other Reviewer: — Date (Month, Day, Year):

Agency Ethics Official's Opinion

The information contained in this report discloses no conflict of interest under applicable laws and regulations.

Signature of Designated Agency Ethics Official/Reviewing Official: Casper D. Goodenberg — Date (Month, Day, Year): 11/18/85

Office of Government Ethics Use Only

Signature: David M. Marshall — Date (Month, Day, Year): 11-21-85

Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)

Mr. Lindahl has stated that the information on this form is current as of 8/15/85.

SF 11-AP 85

☐ (Check box if comments are continued on the reverse side)

Reporting Periods

Incumbents: Complete Schedules A, B, C, and Part I of D. The reporting period is the preceding calendar year except for Part II of Schedule C and Part I of Schedule D where you must also include any positions held or agreements or arrangements made from the beginning of the filing year until the date you file.

Termination Filers: Complete Schedules A, B, C, and Part I of D. The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination.

Nominees, New Entrants and Candidates for President and Vice President: Complete Schedules A, C, and D (Candidates do not file Part II of Schedule D.)

- **Schedule A**—The reporting period for income (BLOCK C) and Transactions Test (BLOCK D) is the preceding calendar year and the current calendar year up to the date of filing. Value assets on BLOCK B as of any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part I (Liabilities)**—The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.
- **Schedule C, Part II (Agreements and Arrangements)**—Show any agreements or arrangements as of the date of filing.
- **Schedule D**—The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

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Reporting Individual's Name: [redacted] T. Lindahl

Assets and Income | Page Number: 2 | Schedule A

All Filers: BLOCK A report (a) the ownership of each asset held for the production of income at the close of the reporting period which had a fair market value exceeding $1000 and (b) any other asset or source of income which generated over $100 in income during the reporting period. This includes but is not limited to employers, stocks, bonds, tax shelters, bank accounts, real property, mutual funds, pensions, IRA assets, assets of certain trusts, commodities futures, personal businesses and partnership interests. Exclude your personal residence unless you rent it out. See instructions for rules on bank accounts and complex holdings.

All Filers: In BLOCK B report the value of each asset listed in BLOCK A which had a fair market value exceeding $1000 at the close of the reporting period.

All Filers: In BLOCK C report the type and amount of income exceeding $100 or more received from the assets and other sources of income listed in BLOCK A. You must report the actual amount of any income not of a type specifically noted below. You need not report the actual amount of your spouse's earned income, only the source in BLOCK A. You may not check "qualified trust" unless you have a blind trust which has been specifically approved by the Office of Government Ethics. If you, your spouse or dependent child are the beneficiary of a trust which no one of you created and has no knowledge of the assets, refer to the instructions to see if it qualifies as an "excepted trust." If "none" (or less than $101) is checked under Category of Amount of Income, no other entries need be made in BLOCK C for that item.

Investments and Transactions Filers only: In BLOCK D, for any real property, stocks, bonds, commodities futures and other securities listed in BLOCK A, did you purchase, sell, or exchange the item during the reporting period for a value that exceeds $1000?

BLOCK A Assets & Income Sources (Identify each asset and income source of you[r] spouse(S) and your dependent child (DC). NONE ☐)	BLOCK B Valuation of Assets — Category of Value (X): None (or less than $1001) / $1,001–$15,000 / $15,001–$50,000 / $50,001–$100,000 / $100,001–$250,000 / Over $250,000	BLOCK C Income — Type of Income (X): Dividends / Rent / Interest / Capital Gains / Exempt from Tax / Qualified Trust / Other (Specify Type)	BLOCK C Income — Category of Amount of Income (X): None (or less than $201) / $201–$1,000 / $1,001–$2,500 / $2,501–$5,000 / $5,001–$15,000 / $15,001–$50,000 / $50,001–$100,000 / $100,001–$1,000,000 / Over $1,000,000	Actual Amount Only if "Other" Specified	Date (Mo., Day, Yr.) Only if Honoraria	BLOCK D Transactions Test: If yes, complete Schedule B Part I (for those assets indicating more than $1,000 in income) — YES / NO
Exempt — A.V.Z Common						
DC — The Jones & Smith, Homestead, USA		X				X
1 Savings Account				$50,000		
Suburban Trust S & L	X	X	X			
2 JS Hechinger A Common (IRA)	X		X			
3 Silver King Common (IRA)	X		X			
4 Commodity future *	X		X			
5 JS Vanguard Mutual Fund (IRA) (sold 1/4/88 & all proceeds)		X	X			
6 Consulting fee National Restaurant Assn.		Commissions Fees	X	$1250		
7 JS Realtor (Wife) (SELF-EMPLOYED)						
8 a Futures contract purchased through Wedgewood Resources Corp. (Hedge account)						
9						
10						

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U.S. Office of Personal Management

Reporting Individual's Name: David H. L. Lindahl

Page Number: 3 | Schedule: B

Part I
Transactions

Incumbents and Termination Filers only: Report any purchase, sale or exchange by you, your spouse or dependent child during the reporting period of any real property, stocks, bonds, commodities futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse or your dependent child. NONE ☐

Identification of Asset	Type of Transaction (X)				Amount of Transaction (X)					
	Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	Over $500,000
Example: X Y Z Common	X			2/1/83			X			
1 N/A										
2										
3										
4										
5										
6										

Part II
Gifts, Reimbursements and Travel Expenses

Incumbents and Termination Filers only: Report the source, a brief description and the value of: (1) on-fund gifts of transportation, lodging, food or entertainment received from one source totaling $250 or more unless received as personal hospitality at the donor's personal or family residence; (2) other gifts received from one source totaling $100 or more in value; and (3) cash reimbursements of $250 or more received from one source. Exclude gifts and reimbursements received by your spouse that were given totally independent of their relationship to you. Exclude transportation, lodging, food and reimbursements from the U.S. Government. For (1) and (2), exclude gifts from relatives and exclude gifts of $35 or less when aggregating them for the total from one source. See instructions for further exclusions. NONE ☐

	Source (Name and Address)	Brief Description	Value
Example:	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/83	$600
	Nat'l Assn. of Rock Collectors, NY, NY	Leather briefcase for retiring president	$125
1	N.		
2			
3			
4			
5			
6			

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Reporting Individual's Name

David M. L. Lindahl

Page Number	4	Schedule C

Part I
Liabilities

All Filers: Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse or dependent child. Check the highest amount owed during the reporting period. Exclude a mortgage on your personal residence unless it is rented out, loans secured by automobiles, household furniture or appliances, and liabilities owed to relatives. See instructions for revolving charge accounts.

NONE ☒

	Creditor (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term of applicable date	Category of Amount or Value ($)				
						$10,001 to $15,000	$15,001 to $50,000	$50,001 to $100,000	$100,001 to $250,000	Over $250,000
Ex. or DC	Example: First Deposit Bank, Washington, DC DC: John Jones, 123 J St., Washington, DC	Mortgage on rental property, Rehoboth Beach, Delaware Promissory note	1981 1978	12% 10%	25 yrs on demand	X		X		
1										
2										
3										
4										
5										
6										

Part II
Agreements or Arrangements

All Filers: Report your agreements or arrangements for future employment, leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

NONE ☒

	Status and Terms of any Agreement or Arrangement	Parties	Date (Mo., Yr.)
Example	Pursuant to partnership agreement, will receive capital account & partnership share calculated on service performed through 11/83	Doe Jones & Smith, Home town, USA	7/79 partnership agmnt.

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...ing Individual's Name

David M. L. Lindahl

Page Number	5	Schedule D

Part I
Positions Held Outside U.S. Government

All Filers: Report any positions held during the applicable reporting ... Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Exclude positions with religious, social, fraternal, or political entities or those solely of an honorary nature.

NONE ☒

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/82	6/83
	Doe Jones & Smith, Hometown, USA	Law firm	Partner	7/75	11/93

Part II
Compensation in Excess Of $5000 Paid by One Source

Nominees and New Entrants only: Report sources of such compensation received by you or your business affiliation for services directly provided by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership or other business enterprise, or any nonprofit organization, when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

NONE ☒

	Source (Name and Address)	Brief Description of Duties
Examples	Doe Jones & Smith, Hometown, USA	Legal services
	Majo University (client of Doe Jones & Smith) Hometown, USA	Legal services in connection with university construction

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United States Government — Department of Energy

memorandum

DATE NOV 19 1985

REPLY TO ATTN OF GC-44

SUBJECT Statement of Agency Ethics Official for Senate Committee

TO David M. L. Lindahl

This memorandum is intended to serve as a statement from the designated agency ethics official for this Department, as required by question 5, page 6, of the Statement for Completion by Presidential Nominees that you are submitting to the United States Senate Committee on Energy and Natural Resources in connection with your nomination for the position of Director of the Office of Alcohol Fuels. I have reviewed your Standard Form 278 (Financial Disclosure Report) dated August 1, 1985, and your Form DOE-460 (Report on Prior Employment) dated September 3, 1985, 1/ and have certified that the information contained therein discloses no conflict of interest under applicable laws and regulations. 2/

As a supervisory employee of the Department, you are prohibited by section 602(a) of the DOE Organization Act (Pub. L. 95-91) from knowingly receiving compensation from, holding any official relation with, or having any pecuniary interest in any energy concern. The term "energy concern" is defined in section 601(b) of the Act as any entity "significantly engaged in the business" of any of a variety of activities related to energy production, distribution, sale, or research and development, or any entity significantly engaged in such research and development pursuant to a DOE-funded program irrespective of whether it otherwise engages in such business. The term also includes any entity holding an interest in property from which an energy resource is commercially produced or obtained.

In addition, section 208, title 18, United States Code, prohibits you from participating personally and substantially, as a Government employee, in any particular matter in which, to your

---

1/ You have informed my office that the information on these forms is accurate as of November 15, 1985.

2/ Section 201(b) of the Ethics in Government Act (Pub. L. 95-521) requires the income and honoraria information on your form to be updated within five days before the date of the Committee hearing to consider your nomination.

knowledge, you have or your spouse, minor child, partner, organization in which you are serving as officer, director, trustee, partner, or employee, or any person or organization with whom you are negotiating or have any arrangement concerning prospective employment has, a financial interest. Accordingly, you should avoid participation in any particular matter the outcome of which could have a direct and predictable effect on any such financial interests.

Please let me know if I can be of further assistance.

Ralph D. Goldenberg
Assistant General Counsel
for General Law

cc: Larry Garrett, White House
Gary Davis, OGE

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APPENDIX II

Responses to Additional Committee Questions From David M.L. Lindahl

6939 Sydenstricker Road
Springfield, VA 22152
December 9, 1985

Honorable James A. McClure
Chairman, Committee on Energy
and Natural Resources
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

Following the December 6 hearing before the Committee on Energy and Natural Resources on my nomination to the position of Director of The Office of Alcohol Fuels of the Department of Energy, you submitted to me a series of questions to be answered for the record. The answers to those questions are enclosed. I have taken the liberty of forwarding a copy of the responses to the requesting Senator.

I appreciate the many courtesies you and the members of the Committee and its staff extended to me at the hearing and look forward to working with you and the Committee, should my nomination be confirmed by the Senate.

Please feel free to contact me should you have additional questions.

Sincerely,

David M. L. Lindahl

David M. L. Lindahl

Enclosure

POST-HEARING QUESTIONS AND ANSWERS

Relating to the

DECEMBER 6, 1985, CONFIRMATION HEARING

of

DAVID M. L. LINDAHL

NOMINEE FOR DIRECTOR, OFFICE OF ALCOHOL FUELS

U. S. DEPARTMENT OF ENERGY

Before the

COMMITTEE ON ENERGY AND NATURAL RESOURCES

UNITED STATES SENATE

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QUESTIONS FROM SENATOR DALE BUMPERS

Question 1: What is the total level of alcohol production and use in the United States (both methanol and ethanol)? What percentage of the production is derived from facilities receiving financial assistance from the Department of Energy?

Answer: Ethanol industry sources report that in calendar year 1984, 567 million gallons of ethanol were blended with gasoline while 248 million gallons of methanol were used as a fuel blend or a feedstock to make a blending agent. United States production of ethanol in 1984 was approximately 430 million gallons. Most of the methanol used as a blending agent was imported in 1984. In 1985, ethanol industry sources estimate that ethanol sales will increase to nearly 760 million gallons with at least 600 million gallons produced in the United States. Methanol use is expected to increase to 265 million gallons in 1985 with most of the supply from imports. The percentage of United States ethanol production from Department of Energy assisted plants was approximately 15 percent in 1984. It is estimated that nearly 20 percent of United States production will come from Department of Energy assisted plants in 1985.

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QUESTIONS FROM SENATOR BUMPERS

Question 2: To what extent is the Federal Government using gasohol for the operation of motor vehicles owned or leased by Federal agencies?

Answer: Federal agencies like the Department of Defense, General Services Administration and the Postal Service are constrained in the acquisition of gasohol by rules which dictate that the price of gasohol must be competitive with regular gasoline. Therefore, Federal Government use of gasohol is minimal.

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QUESTIONS FROM SENATOR BUMPERS

Question 3: Describe the benefits of using methanol and ethanol as octane enhancers. What is the current level of use of alcohol blends in motor fuels? How can the market for alcohol blends be expanded?

Answer: Ethanol and methanol used as blends with gasoline can displace gasoline by the amount of alcohol blended, thus extending gasoline supplies. In addition, ethanol and methanol can increase the octane of the gasoline with which they are blended. It is generally conceded that ethanol and methanol use can reduce some of the air pollution emitted from gasoline burning engines. Ethanol and methanol can replace the need for lead for octane purposes. It is estimated by industry sources that 760 million gallons of ethanol and 265 million gallons of methanol will be blended with gasoline in 1985. The market for alcohol blends has expanded greatly since 1980, and is likely to continue to expand driven largely by the need to use alcohol fuels to improve octane under EPA lead phasedown rules. I would not propose that any additional action is necessary to expand the market.

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QUESTIONS FROM SENATOR BUMPERS

Question 4: What states provide tax incentives for the production of alcohol fuels and what impact have these incentives had?

Answer: Attached is a listing of state taxes on fuel including applicable taxes on gasohol for 1984. Most of the states which offer tax incentives are concentrated in the agricultural midwest of the United States with certain exceptions: Alabama, Colorado, Florida, Louisiana, Maryland, Montana, New Mexico, North Carolina, Tennessee, Texas and Virginia. The existence of state tax incentives has served to concentrate ethanol sales in those states with exemptions which are close to sources of ethanol supply. State tax incentives have been an important part of the expansion of ethanol use in the United States.

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STATE TAX RATES ON MOTOR FUEL - 1984

TABLE 3

CENTS PER GALLON

State	Gasoline		Diesel		L.P.G.		Gasohol		
	Rate	Date of change	Rate	Date of change	Rate	Date of change	Rate	Date of change	Exemption
Alabama	11		12		12 [1]		[2] 0		0
Alaska	8		8		8		8		8
Arizona	18 13	7-1	18 13	7-1	18 13	7-1	18 13	7-1	0
Arkansas	9.5		10.5		7.5		[2] 9		9.5
California	9		9		6		[2] 9		0
Colorado	19		19		19		[2] 7		5
Connecticut [3]	14 16	7-1	14 16	7-1	14 16	7-1	12 14	7-1	1 1
Delaware	11		11		11		11		0
Dist. of Col. [4]	16.5 15.5	6-1	16.5 15.5	6-1	16.5 15.5	6-1	16.5 15.5	6-1	0 0
Florida	[2] 9.7		[2] 9.7		[2] 9.7		9.7		0
Georgia	7.5		7.5		7.5		7.5		0
Hawaii	[2] 8.5		8.5		6		[2] 8.5		0
Idaho	16.5		16.5		16.5		19.5		4
Illinois	11 13	7-1	13.5 15.5	7-1	11 13	7-1	11 13	7-1	0
Indiana [5]	11.1		11.1		11.1		11.1		0
Iowa	13		15.5		13		13		3
Kansas	11		13		13		6		5
Kentucky [6] [7]	13		13		13		[2] 6.5		3.5
Louisiana	8 16	7-1	8 16	7-1	8 16	7-1	[2] 8 [2] 8	7-1	8 16
Maine	14		14		14		14		0
Maryland	13.5		13.5		13.5		13.5		3
Massachusetts [8]	11		11		9.2 0.8	7-1	11		0
Michigan [9]	13		13		13		[2] 11		4
Minnesota	17		17		17	—	13		3
Mississippi	9		10		[2] 8		9		0
Missouri	7		7		7		7		0
Montana	15		17		8		8		7
Nebraska [9]	25.4 25.2 24.9 24.7	6-1 7-1 10-1	25.4 25.2 24.9 24.7	6-1 7-1 10-1	25.4 25.2 24.9 24.7	6-1 7-1 10-1	26.4 26.2 25.9 25.7	6-1 7-1 10-1	5
Nevada	12		12		12		11		1
New Hampshire	14		[2] 14		14		14		0
New Jersey	8		8		6		8		0
New Mexico [9]	11		11		11		[2] 8		11
New York [9]	8		8		8		8		0
North Carolina	12		12		12		[2] 7		0
North Dakota	13		[2] 13		13		8		5
Ohio [9]	12		12		12		[2] 6.5		3.5
Oklahoma	[2] 6.96 8	6-10	6.5 8	6-10	6.5 8	6-10	[2] 6.96 8	6-10	8 8
Oregon	8		[2] 8		[2] 8		8		8
Pennsylvania [9]	12		12		12		12		8
Rhode Island [9] [9]	13		13		13		13		8
South Carolina	13		13		13		[2] 13		0
South Dakota	13		13		11		5		4
Tennessee	13		13		9		6		4
Texas	8 10	6-1	8.5 10	6-1	[2] 8 10	6-1	[2] 8 10	6-1	8 10
Utah	11 13	7-1	11 13	7-1	11 13	7-1	6 13	7-1	5 8
Vermont	13		13		0		13		0
Virginia [9] [9]	11		11		11		[2] 3		8
Washington	18 19	7-1	18 19	7-1	18 19	7-1	[2] 18.4 19.4	7-1	18 19
West Virginia [10]	20.5		20.5		20.5		20.5		0
Wisconsin	18 20	7-1	18 20	7-1	18 20	7-1	15 15	7-1	6
Wyoming	8		[2] 8		[2] 7		6 8	7-1	6 8

SOURCE: Office of Highway Statistics, Federal Highway Administration, Department of Transportation

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STATE TAX RATES ON MOTOR FUEL - 1984

TABLE MF-121T
SHEET 2 OF 2

STATE	SALES TAX	
	PERCENT	REMARKS
ALABAMA	4	APPLIES TO NONHIGHWAY USE OF DIESEL FUEL.
ARKANSAS	4	APPLIES TO GASOHOL ONLY.
CALIFORNIA	6.75	APPLIES TO SALES PRICE INCLUDING FEDERAL AND STATE MOTOR-FUEL TAXES. LOCAL GOVERNMENTS ASSESS AN ADDITIONAL 1.25% EXCEPT IN BAY AREA THE RATE IS 1.75%.
GEORGIA	3	A SECOND MOTOR-FUEL TAX APPLIES TO SALES PRICE INCLUDING FEDERAL MOTOR-FUEL TAX.
HAWAII	4	APPLIES TO SALES PRICE EXCLUDING FEDERAL AND STATE MOTOR-FUEL TAXES BUT GASOHOL IS EXEMPTED.
ILLINOIS	6	APPLIES TO SALES PRICE EXCLUDING FEDERAL AND STATE MOTOR-FUEL TAXES. MOST LOCAL GOVERNMENTS ASSESS AN ADDITIONAL 1% TAX. GASOHOL IS TAXED AT 1% FROM JANUARY 1, 1984, THROUGH DECEMBER 31, 1992, AND AT 6% THEREAFTER.
INDIANA	5	APPLIES TO SALES PRICE EXCLUDING FEDERAL AND STATE MOTOR-FUEL TAXES. GASOHOL IS TAXED AT 2% UNTIL JULY 1, 1984 AND AT 1% THEREAFTER.
KANSAS	3	STATE SALES TAX AND 1.5% MAXIMUM OF CITY AND COUNTY SALES TAXES ARE PAID ON AVIATION FUEL WHICH IS NOT SUBJECT TO REFUND.
MICHIGAN	4	APPLIES TO SALES PRICE INCLUDING FEDERAL MOTOR-FUEL TAX EXCEPT FOR THOSE WHO HAVE A SALES TAX EXEMPTION CERTIFICATE.
MISSISSIPPI	6	APPLIES TO SALES PRICE INCLUDING FEDERAL AND STATE MOTOR-FUEL TAXES.
NEW YORK	4	APPLIES TO SALES PRICE INCLUDING FEDERAL MOTOR-FUEL TAX. LOCAL GOVERNMENTS ASSESS ADDITIONAL TAX VARYING FROM 3% TO 4%.
VIRGINIA	2	APPLIES TO RETAIL SALES WITHIN A COUNTY OR CITY WHICH IS A MEMBER OF ANY TRANSPORTATION DISTRICT IN WHICH A HEAVY RAIL COMMUTER MASS TRANSPORTATION SYSTEM IS OWNED AND OPERATED BY A TRANSPORTATION AGENCY.
WEST VIRGINIA	9	APPLIES TO THE AVERAGE WHOLESALE PRICE AS DETERMINED ANNUALLY BY THE TAX COMMISSIONER. HOWEVER THE PRICE CANNOT BE SET AT LESS THAN 97 CENTS PER GALLON.

1/ OWNERS OF VEHICLES REGISTERED IN THE STATE PAY AN ANNUAL DECAL FEE IN LIEU OF A GALLONAGE TAX.
2/ EXEMPTION FROM STATE MOTOR-FUEL TAX PROVIDED ALCOHOL WAS MADE IN THE STATE FROM AGRICULTURAL COMMODITIES PRODUCED WITHIN THE STATE. IN VIRGINIA, ALCOHOL MUST ALSO BE DISTILLED IN A PLANT THAT DOES NOT USE NATURAL GAS OR A PETROLEUM BASED PRODUCT AS A PRIMARY FUEL. IN MICHIGAN, IN ADDITION TO THE ABOVE PROVISION, THE GASOHOL TAX RATE IS 14 CENTS PER GALLON IF ALCOHOL IS NOT PRODUCED WITHIN THE STATE OR IN A STATE WHICH PROVIDES AN EQUIVALENT TAX REDUCTION FOR GASOHOL CONTAINING ALCOHOL PRODUCED IN MICHIGAN.
3/ EXCISE TAX ON ALCOHOL FUELS (ETHANOL OR METHANOL) CONTAINING NOT MORE THAN 15% GASOLINE OR DIESEL FUEL IS ONE-HALF THE RATE OF THE USE FUEL TAX FROM JANUARY 1, 1982 UNTIL JANUARY 1, 1989.
4/ A "GROSS RECEIPTS TAX" IS ASSESSED IN CONNECTICUT (22%), NEW YORK (2%), RHODE ISLAND (13%), VIRGINIA (3%), AND PENNSYLVANIA (6%).
5/ "VARIABLE TAX." RATES ARE DETERMINED AT VARIOUS TIMES OF THE YEAR.
6/ RATE CONSISTS OF A FIXED RATE OF 4 CENTS PER GALLON PLUS A 5 PERCENT SALES TAX APPLIED TO THE AVERAGE RETAIL PRICE OF MOTOR FUEL ESTABLISHED ANNUALLY BUT PRESENTLY $1.168 PER GALLON.
7/ COUNTY TAX OF 4 TO 8.5 CENTS PER GALLON IS ALSO ADDED.
8/ COUNTY TAX OF 3.5 CENTS PER GALLON IS ALSO ADDED BUT EXEMPTED FROM SALES TAX.
9/ A 2% SURTAX IS IMPOSED ON FUEL PURCHASED FOR ANY VEHICLE WITH 3 OR MORE AXLES IN KENTUCKY AND A 2 CENTS PER GALLON SURTAX IS IMPOSED ON FUEL PURCHASED FOR ANY INTERSTATE PROPERTY VEHICLE WITH 3 OR MORE AXLES IN VIRGINIA.
10/ IN NEW HAMPSHIRE A $10.00 DECAL IS REQUIRED FOR ALL DIESEL VEHICLES.
11/ GASOHOL CONTAINING ETHANOL PRODUCED FROM AGRICULTURAL OR FORESTRY WASTE PRODUCTS OR BY-PRODUCTS IS TAXABLE AT THE RATE OF 7 CENTS PER GALLON FROM OCTOBER 1, 1983 THROUGH JUNE 30, 1985. FROM JULY 1, 1985 THROUGH JUNE 30, 1992, THE TAX ON ALL GASOHOL WILL BE 7 CENTS PER GALLON.
12/ DIESEL FUEL BLENDED WITH RECOVERED OIL OR AGRICULTURALLY DERIVED ALCOHOL IS TAXED AT 9 CENTS PER GALLON.
13/ A DEALER IS REFUNDED 3% CENTS PER GALLON FOR EACH QUALIFIED FUEL (ETHANOL AND METHANOL) THAT IS BLENDED WITH UNLEADED GASOLINE.
14/ INCLUDES INSPECTION FEE OF 0.08 CENT PER GALLON.
15/ TAX IS PAID BY USERS FOR VEHICLES NOT UNDER THE JURISDICTION OF PUBLIC UTILITIES COMMISSION. VEHICLES UNDER JURISDICTION OF PUBLIC UTILITIES COMMISSION AND PAYING MOTOR-CARRIER FEES ARE EXEMPT FROM PAYMENT OF THESE TAXES.
16/ GASOHOL TAX WAS ESTABLISHED AT 6 CENTS PER GALLON UNTIL JUNE 30, 1985 UNLESS A $5 MILLION CEILING ON ASSOCIATED REVENUES WAS REACHED. THE CEILING WAS REACHED PRIOR TO JANUARY 1, 1983.
17/ EFFECTIVE JULY 1, 1983, GASOHOL EXEMPTION IS A VARIABLE RATE WITH MAXIMUM OF 5 CENTS PER GALLON. THE VARIABLE RATE IS SET QUARTERLY TO LIMIT THE TOTAL YEARLY EXEMPTION TO $10,850,000.
18/ IN ADDITION TO THE 18.5 CENTS PER GALLON MOTOR FUEL TAX, THERE IS A CONSUMER SALES AND SERVICE TAX OF 4.5% CENTS PER GALLON.
19/ A FEE OF 3.1 MILLS PER TON-MILE IS LEVIED IN LIEU OF GALLONAGE TAX ON DIESEL FUEL AND L.P.G.

SOURCE: HIGHWAY STATISTICS DIVISION, FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

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QUESTIONS FROM SENATOR BUMPERS

Question 5: How much ethanol and methanol mixtures does the United States currently import? Export?

Answer: In 1984, the United States imported approximately 130 million gallons of ethanol for use as a blend component with gasoline for gasohol. In 1985, it is estimated that nearly 160 million gallons of ethanol will be imported. At least 50 million gallons of this will be imported as a mixture of ethanol and toluene. In 1984, nearly 171 million gallons of methanol were imported for fuel use. Imports in 1985 are estimated to be slightly higher. The United States does not export ethanol or methanol for fuel purposes.

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